

TIER Environmental Forecast Group
 advocates for the West
 irWorks, Inc.
 Alaska Housing Finance Corporation
 Alliance to Save Energy
 Alternative Energy Resources Organization
 American Rivers
 The Apollo Alliance
 Audubon Washington
 Bonneville Environmental Foundation
 Central Area Motivation Program
 Citizens Utility Board of Oregon
 City of Ashland
 Clackamas County Weatherization
 Climate Solutions
 The Climate Trust
 Community Action Partnership of Oregon
 Community Action Partnership Assoc. of Idaho
 Conservation Services Group
 David Suzuki Foundation
 Earth and Spirit Council
 Earth Ministry
 Ecos Consulting
 Formative Options, LLC
 Emerald People's Utility District
 The Energy Project
 Energy Trust of Oregon, Inc.
 nXco Development Corporation
 Environment Oregon
 Environment Washington
 Grasslands Renewable Energy
 Home Performance Guild of Oregon
 Home Performance Washington
 Housing and Comm. Services Agency of Lane Co.
 Human Resources Council, District XI
 Iberdrola Renewables
 Idaho Conservation League
 Idaho Rivers United
 Idaho Rural Council
 Idaho Wildlife Federation
 Interfaith Network for Earth Concerns
 Joint Environmental Alliance
 Laborers International Union of North America, NW Region
 League of Women Voters – ID, OR & WA
 Local Energy Alliance of Washington
 Metrocenter YMCA
 Missoula Urban Demonstration Project
 Montana Audubon
 Montana Environmental Information Center
 Montana Public Interest Research Group
 Montana Renewable Energy Association
 Montana River Action
 Montana Trout Unlimited
 Mountaintop Foundation
 The Mountaineers
 Multnomah County Weatherization
 National Center for Appropriate Technology
 Natural Resources Defense Council
 New Buildings Institute
 Northern Plains Resource Council
 Northwest Energy Efficiency Alliance
 Northwest Energy Efficiency Council
 Northwest Renewable Energy Institute
 Northwest Solar Center
 NW Natural
 NW SEED
 Olympic Community Action Programs
 Opportunities Industrialization Center of WA
 Opportunity Council
 The PacificCoast Bank
 Oregon Action
 Oregon Energy Coordinators Association
 Oregon Environmental Council
 Oregon HEAT
 Oregonians for Renewable Energy Policy
 Pacific Energy Innovation Association
 Pacific NW Regional Council of Carpenters
 Pacific Rivers Council
 The Policy Institute
 Portland Energy Conservation Inc.
 Portland General Electric
 Puget Sound Alliance for Retired Americans
 Puget Sound Cooperative Credit Union
 Puget Sound Energy
 Renewable Northwest Project
 River Network
 Salmon for All
 Save Our Wild Salmon
 Seattle Audubon Society
 Seattle City Light
 Sierra Club
 Sierra Club, Idaho Chapter
 Sierra Club, Montana Chapter
 Silicon Energy
 Snake River Alliance
 Solar Oregon
 Solar Washington
 South Central Community Action Partnership, Inc.
 Southeast Idaho Community Action Agency
 Southern Alliance for Clean Energy
 Spokane Neighborhood Action Programs
 Smart Grid Oregon
 Student Advocates for Valuing the Environment
 SustainableWorks
 Sustainable Bainbridge
 Spokane Audubon Society
 Trout Unlimited
 Union Of Concerned Scientists
 United Steelworkers of America, District 11
 VA CTED - Housing Division
 Washington CAN!
 Washington Environmental Council
 Washington State University Energy Program
 World Institute for a Sustainable Humanity
 World Steward



August 28, 2012

Greg Nothstein
 Washington Department of Commerce
 1011 Plum Street SE
 PO Box 42525
 Olympia, WA 98504-2525

RE: Comments on Emissions Performance Standards documents

Dear Mr. Nothstein:

Thank you for the opportunity to review the technical and policy analyses that will inform proposed rule making to set a revised emissions performance standard (EPS.) The NW Energy Coalition was one of the key stakeholders advocating for the original legislation in 2007 (SB 6001) and we maintain a keen interest in ensuring that its implementation is consistent with the legislature's intent for the electric power generation sector to reduce its greenhouse gas emissions.

A key concern of ours is that the process of adopting a new EPS is taking far too long. The Notice of Possible Rulemaking was filed by Commerce in mid February 2012. Now, six months later, the schedule for Commerce to file its CR 102 remains "indeterminate." Yet the law requires the agency to adopt by rule the average available greenhouse gases emissions output every five years beginning five years after July 22, 2007. We appreciate that Commerce took the time to include extensive stakeholder input and technical review but see no reason for any further delay; it is past time for Commerce to expedite its process and finalize the rules.

We find the Emission Performance Standard Draft Emission Calculator (Aug14) to be rigorous, comprehensive and fair. The 975 pounds per MWh level contains generous allowance for startups, shutdowns, duct firing, altitude, etc. As such it is a flexible standard, reflecting real-world operations considerations. Although 975 pounds per megawatt hour is a higher emissions rate than we were anticipating given the fact that so many of the new combined cycle combustion turbines (CCCT) perform far better, we accept the proposed 975 lb standard largely because the "real-world" analysis behind it was a thorough and transparent process.

The statute is ambiguous as to whether a cost and reliability analysis of the updated EPS is required. However, Commerce is to be commended for voluntarily conducting the analysis for the standard update. In general, we support the findings and conclusions of the Reliability and Cost Review.

However, page two, paragraph one, contains a significant error by stating that “Washington’s independent power producers are not covered by the law and are free to make generating choices as they wish, affecting consumer cost only to the extent that they provide Washington utilities with more or fewer contractual choices.” In fact, the law is clear that it applies to all new generating facilities built in Washington:

80.80.040 (3)(b): “All baseload electric generation that commences operation after June 30, 2008, and is located in Washington, must comply with the greenhouse gas emissions performance standard established in subsection (1) of this section.” And per 80.80.010(4), “Baseload electric generation” means electric generation from a power plant that is designed and intended to provide electricity at an annualized plant capacity factor of at least sixty percent.”

On the same page, in the “Cost” section, we suggest that Commerce rewrite the sentence regarding the law’s application to short term contracts; as written, it appears to suggest that there is no cost to utilities for not complying with the EPS rule.

We would also like to take this opportunity to address certain comments submitted by other stakeholders regarding the intent and scope of the law.

- The claim is made that, by proposing a new EPS that is based on a survey of new and commercially available CCCTs, Commerce is “misreading” the statute – that the survey of CCCTs is somehow separate from the statutory requirement for Commerce to propose a new EPS. Of course, this claim is fallacious.

RCW 80.80.040 states that the EPS is the lower of either 1100 lbs/MWh or the average of the GHG emissions as determined by Commerce’s survey of new and commercially available CCCTs (80.80.050). Commerce has conducted such a survey and found that 975 lbs/MWh is the average rate of GHG emissions output for new and commercially available CCCTs when plant operations and aging are factored in.

- In comments dated August 2, 2012, Puget Sound Energy (PSE) argues that the EPS is no longer needed because the US Environmental Protection Agency has implemented “aggressive national regulations” that, in essence, require new gas-fired electric generating facilities to use best available control technologies (BACT) for greenhouse gas emissions. Needless to say, unlike Washington’s EPS, such a rule by the EPA does not apply to long-term utility contracts procuring baseload power. Further, the Tailoring Rule cited by PSE is misconstrued; it is our understanding that states have substantial latitude as to its application. In other words, EPA’s BACT guidance does not guarantee that permits for thermal generation will be limited to lower than 900 pounds per MWh as PSE implies.

Thank you,

Sincerely,



Kim Drury
Senior Policy Associate